

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Southern California Gas Company (U 904 G) Regarding Year 10 (2003-2004) of Its Gas Cost Incentive Mechanism.

Application 04-06-025  
(Filed June 15, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING  
REGARDING NOTICE OF INTENT TO CLAIM COMPENSATION**

**Summary**

In accordance with the schedule set forth in the January 12, 2005 scoping memo and ruling of the assigned Commissioner (scoping memo), The Utility Reform Network (TURN) filed its "Notice of Intent to Claim Compensation" (NOI) in the above-captioned proceeding. This ruling determines that TURN is eligible to file a claim for an award of compensation in this proceeding.

**Background**

Southern California Gas Company (SoCalGas) filed its Year 10 Gas Cost Incentive Mechanism (GCIM) on June 15, 2004. One of the issues identified in the scoping memo for this proceeding "is whether TURN should be permitted to file for intervenor compensation in connection with the consultation process for interstate capacity." (Scoping Memo, p. 5.)

The scoping memo acknowledges that the Commission adopted a consultation process in Decision (D.) 04-09-022 in Rulemaking 04-01-025. That consultation process consists of discussions between SoCalGas, TURN, and the

Office of Ratepayer Advocates (ORA) regarding SoCalGas' interstate natural gas capacity commitments. Since the consultation process adopted in D.04-09-022 affects the gas procured by SoCalGas, the consultation process affects the GCIM. For that reason, the scoping memo allowed TURN to file a NOI in this proceeding for its involvement in the consultation process.

Public Utilities Code Section 1804(a)(1)<sup>1</sup> provides that when no prehearing conference is scheduled, the Commission may determine the procedure for filing the NOI. Since no prehearing conference was held, the scoping memo directed that any NOI for this proceeding should be filed by February 2, 2005. In response to the scoping memo, TURN timely filed its NOI on February 2, 2005.

### **Eligibility Requirements**

Section 1804(a)(2) provides that a NOI is to include a statement of the nature and extent of the customer's planned participation in the proceeding, and an itemized estimate of the compensation that the customer expects to request. In addition, the NOI may include a showing by the customer that participation in the proceeding would pose a significant financial hardship. If such a showing is made, the Administrative Law Judge (ALJ), in consultation with the assigned Commissioner, is to issue a preliminary ruling addressing whether the customer will be eligible for an award of compensation, and whether a showing of significant financial hardship has been made. (§ 1804(b)(1).) Since TURN purports to make a showing that its participation would pose a significant financial hardship, this ruling addresses TURN's eligibility for intervenor compensation.

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<sup>1</sup> All section references are to the Public Utilities Code.

In D.98-04-059 (79 CPUC2d 628) the Commission directed that if a ruling is issued as a result of the filing of a NOI, that the ALJ rule on whether the intervenor is a customer as defined in § 1802(b),<sup>2</sup> and which category of customer the intervenor represents. (79 CPUC2d at 649.) The type of customer category determines the standard of “significant financial hardship” that applies.

Footnote 1 of TURN’s NOI states that it is a “group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential ratepayers.” TURN has previously submitted the relevant portion of its articles of incorporation in other Commission proceedings. TURN meets the definition of customer as defined in § 1802(b)(1)(C).

TURN also included information in its NOI about significant financial hardship. The comparison test, in which the cost of participation is compared to the economic interest of the individual members of the organization in order to determine whether there will be significant financial hardship, applies to TURN because it is a customer who is an organization authorized by its bylaws to represent the interests of residential customers.

TURN elected to rely on the rebuttable presumption in § 1804(b)(1) to make its showing of significant financial hardship in this proceeding. TURN received a finding of significant financial hardship in Application 04-05-021 in an

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<sup>2</sup> A “customer” is defined in § 1802(b)(1) to mean: “(A) A participant representing consumers, customers, or subscribers of any electrical, gas, telephone, telegraph, or water corporation that is subject to the jurisdiction of the commission. (B) A representative who has been authorized by a customer. (C) A representative of a group or organization authorized pursuant to its articles of incorporation or bylaws to represent the interests of residential customers, or to represent small commercial customers who receive bundled electric service from an electrical corporation.”

August 3, 2004 ruling.<sup>3</sup> Since this proceeding was initiated within one year of the August 3, 2004 finding, and because no one responded to TURN's NOI to rebut the presumption of significant financial hardship, TURN is presumed to be eligible for compensation in this proceeding.

Regarding the requirement about the nature and extent of the customer's planned participation in this proceeding, TURN states that it "intends to recover its costs for participating in the consultation process for interstate capacity contract acquisition adopted in D.04-09-022 in this proceeding," and "TURN will also seek recovery of any costs that might be incurred related to evaluation of procurement performance in GCIM year 10." (TURN, NOI, p. 2.)

To satisfy the requirement that the NOI include an estimate of the compensation the customer expects to request, TURN provided an itemized estimate of the compensation that it expects to request. TURN estimates its total compensation at \$11,600.

To satisfy the statement in § 1801.3(f) about unproductive or unnecessary participation, TURN's NOI states that although ORA represents the interests of all ratepayers, TURN is the only party representing the interests of core customers. TURN also states that it will coordinate with ORA as much as possible to avoid unnecessary duplication of effort.

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<sup>3</sup> TURN's NOI referred to a December 29, 2000 ruling in which TURN received a finding of significant financial hardship. Since this proceeding was filed on June 15, 2004, the August 3, 2004 finding of significant financial hardship is more relevant.

The planned participation of TURN and its planned coordination with ORA should result in effective and efficient participation by TURN in this proceeding.

TURN is eligible for an award of compensation in this proceeding. This finding of eligibility does not mean that TURN is automatically entitled to intervenor compensation. Pursuant to § 1804, TURN must make a substantial contribution to the Commission decision before it is awarded any intervenor compensation.

Therefore, **IT IS RULED** that The Utility Reform Network (TURN) has met the eligibility requirements of § 1804, including the significant financial hardship requirement, and TURN is eligible to file a claim for an award of compensation in this proceeding.

Dated April 21, 2005, at San Francisco, California.

/s/ JOHN S. WONG  
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John S. Wong  
Administrative Law Judge

**CERTIFICATE OF SERVICE**

I certify that I have this day served the attached Administrative Law Judge's Ruling Regarding Notice of Intent to Claim Compensation on all parties of record in this proceeding or their attorneys of record by electronic mail to those who provided electronic mail addresses, and by U.S. mail to those who did not provide e-mail addresses.

Dated April 21, 2005, at San Francisco, California.

/s/ ELIZABETH LEWIS  
Elizabeth Lewis

**N O T I C E**

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